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DIRECTORATE OF INTELLIGENCE

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Prospects for Chile [redacted]

Summary

This paper assesses the implications of the emergence over the past eight months of a broad-based opposition movement in Chile. It concludes that there is little prospect of a quick compromise between the government and opposition that would head off scheduled national protests around 8 September. Of three scenarios we envision between now and the end of the year, the two that do not involve a negotiated settlement both carry a strong risk that President Pinochet--by nature reluctant to give ground--would eventually be removed by the military. The extreme left is likely to be a peripheral actor and catalyst in all three scenarios, unless major opposition elements discredit themselves in unsuccessful negotiations with Pinochet or there is complete disorder, in which case radicals would be able to improve their position. In examining the fundamental stability of the regime over the next year or so, the paper concludes that only agreement on hastening the democratic opening will avoid radicalization and polarization. Thus, we judge that the military will eventually compel Pinochet to reach such an agreement or remove him in an effort to preserve domestic stability. [redacted]

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67

well as the government, and reduce chances for a democratic opening. At the same time, after years of experience with Pinochet's authoritarian instincts and ridicule of civilian politicians, they are extremely suspicious that he will renege on concessions once they agree to halt the protest movement. This would leave them open to leftist charges of a sellout.

-- The military is still reported [redacted] to support Pinochet's continuation as President, but the services--especially the Air Force and Navy--agree on the need for a democratic opening. They wish to retain the military's unity and integrity, which they fear would be jeopardized if they are continually forced to take to the streets to control protestors, as they did for the first time in August.

-- Jarpa has become Pinochet's "super minister" for political issues. But Jarpa is a uniquely independent figure. He apparently is beginning to establish his own ties to the members of the junta, the church, the press, and elements of the opposition. To retain his post, he must begin to deflate the opposition movement, and to accomplish this, he probably believes that he must continue progress toward a democratic opening.

-- President Pinochet, whose chief objective is to stay in office, has been forced to move toward an acceleration of the democratization process to preserve his power base in the military. His instinct is to crack down on his opponents rather than make concessions, but he may now realize that the opposition's momentum and the military's sentiment have foreclosed this option. Nonetheless, he will only reluctantly agree to political reforms, and he will remain suspicious of moderate opponents and alert to any opportunity to divide them. [redacted]

[redacted]

Strategies/Prospects for September

In September, moderate opposition leaders probably will:

-- Continue efforts to control violence (believing that it only discredits them and provokes the military into adopting a harder line).

-- Try to make the protests more extensive (to increase pressure on the military and Pinochet for substantive concessions).

-- Attempt to maintain their unity by centering protests around a specific set of demands (the Democratic Alliance platform).

-- Time the return of exiled Christian Democratic leader Andres Zaldivar to maximize its political impact. [redacted]

The government will probably continue negotiating with moderate opposition figures to end the protests or, failing that, to buy time and attempt to splinter the opposition. At the same time, concern over communist plans to foment violence probably will result in a significant troop presence in the capital for the largest scheduled protest on 8 September. Security forces will react firmly to demonstrations by Communists and may pre-emptively arrest leftist opposition figures. [redacted]

We believe the chances for a compromise before 8 September that would halt the national day of protest are remote because of: 1) the shortness of time, 2) the opposition's sense that it must capitalize on its momentum before Christmas and the Southern Hemisphere "summer" vacation, 3) the opposition's belief that it cannot risk its current momentum on a compromise that might be criticized by the left as a sellout, 4) the determination of Pinochet and the military to maintain social order, and 5) radicals' efforts to impede dialogue by sparking violence. [redacted]

[redacted]

Short-Range Scenarios

We see three possible scenarios through the end of this year. In what we regard as the most likely, there is no negotiated settlement of differences, and protests continue through December at no greater level than those in August. Pinochet probably would offer some concessions on political party laws and congressional elections, but would drag out the processes in hopes of dividing the opposition. He would still face increasing pressure from both inside and outside the government to speed up the transition to civilian rule. He would attempt to maintain his position by persuading conservatives and the military that he was making a reasonable effort to meet opposition demands. This argument would not be compelling in the face of further protests by moderates, efforts by leftist terrorists to radicalize the atmosphere, continuing economic stagnation, and rising international pressure. This probably will set in motion a process of building pressure within the military to replace Pinochet. At some point--possibly by December but more likely in 1984--Pinochet would be removed by the military. [redacted]

The second most likely scenario is that--regardless of the magnitude of protests and whether Pinochet retains office--Jarpa negotiates a compromise settlement before the end of the year that satisfies the bulk of the opposition. This would require announcement of immediate political liberalization, election of a congress well before 1989, and major changes in current exile, civil liberty, and economic reactivation policies.* This scenario would reduce internal and international pressures on the regime, maximize the meager chance for economic recovery over the next year, and satisfy the majority of moderate opponents. The

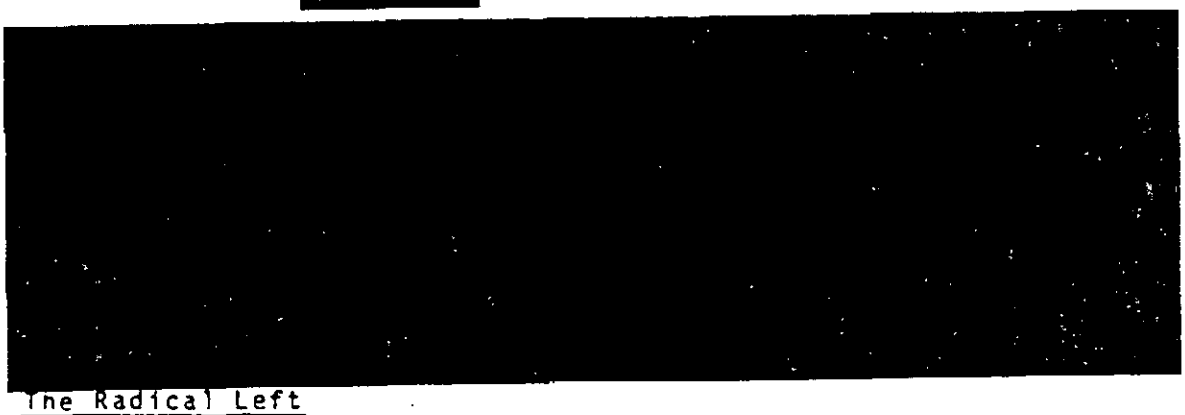
* Any negotiated long-term transition to civilian rule would ultimately also have to deal with: a dignified departure for Pinochet and timely presidential elections, such questions as the "disappeared" persons and the military's political role, and opposition promises to honor debt rescheduling agreements and free market economic principles. [redacted]

radical left would stage violent activites in an attempt to provoke a government crackdown and undermine compromise. We do not believe the government would fall for this ploy. Even so, a real compromise would demand of both parties a good faith effort and high levels of patience and skill--qualities which neither side has demonstrated in abundance to date. [redacted]

The third most likely scenario is that protests in September or thereafter are more massive and violent than those in August, and Jarpa is unable to arrange a negotiated settlement. This would substantially increase the pressure inside and outside the government for Pinochet to make major concessions, leading in one of two directions. First, Pinochet might propose a harsh crackdown to restore public order and preserve national security. He would appeal to the military and nervous Chileans who remember the chaos under Allende and fear it might occur again if a transition proceeds too rapidly. He would point out that he had initially met reasonable demands and made an honest effort to compromise, but that to deliver the country immediately to the opposition--particularly the Christian Democrats whom the military distrusts--would be to pave the way for Marxists to come to power again. The probability of heightened radical activity during this period would help Pinochet's case and buy him a little time, but only in the very short term. Within weeks, increased repression would engender immense internal and international criticism, and moderate groups within the military probably would eventually rally the armed forces to remove him. [redacted]

Even if, in the event of violent and massive protests between now and December, Pinochet did not revert to repressive tactics, the military would continue to debate the best course of action. The Chilean armed forces are highly disciplined and unified and, although they take time to reach a consensus, would probably act together and would insist that Pinochet make substantial concessions. Tense months would follow as suspicious opposition leaders sought to wring as much from the government as possible. If Pinochet refused and insisted on keeping the presidency, the officers would agree to remove him and install another general, a conservative civilian, or--least likely--a

moderate opposition leader. They would legalize parties and schedule elections well before 1989. We do not believe the military would splinter over the issue, but if they did, the country would experience chaos and rapid economic deterioration.



The Radical Left

The strategy of the Marxist left varies--primarily in degree--under the three scenarios, with its likely role that of a catalyst. Its violent activities, like those of some far right elements, would be designed to sabotage compromise. The left also would seek further to radicalize the protest movement and/or seize some degree of leadership. Significantly, some elements of the Communist and Socialist Parties have recently counseled non-violent activity to try to take advantage of the mainstream opposition movement. Christian Democrats and other moderates probably can afford to hold the Communists at arms length as long as they can maintain the opposition's momentum. Blocking the Marxist minority from assuming power is perhaps the only common ground shared by the military, civilian conservatives, and the Christian Democrats, and we believe they would all act to head off such a move. In the short term, the extreme left would be able to improve its position significantly only if principal opposition elements were discredited by appearing too flexible in early negotiations with Pinochet that eventually fail, or if there were complete disorder and extreme polarization. Under

these conditions, elements of the left might be able to become formal partners in the opposition coalition, and radical demands for more extreme solutions could gain wider acceptance. [redacted]

[redacted]

Longer Range Stability

With civilian political processes sidelined for years, the fundamental strength and stability of the Chilean political system has depended on three elements:

-- the capability of the armed forces to determine the political direction by force.

-- the national consensus against a return to the chaos of Marxist government.

-- the success of the government's economic program.

The severe economic downturn eliminated one of these supports. Over the next year or so, Pinochet's actions could undermine the other two factors for stability, unless he agrees to an accelerated transition to civilian rule. Resistance to democratization will fuel continued opposition protests and further polarization, increasing the pressure on military unity. At the same time, society will become more radicalized, weakening the moderates and undermining the consensus against leftist alternatives. [redacted]

Because the Chilean military recognizes this, we believe it will not allow Pinochet's potential intransigence to jeopardize its unity or place the nation's stability at risk. Armed Forces leaders will instead rally together and press him to grant the reforms necessary to reverse spiraling political polarization. If he refuses, the military will replace him with a transition government capable of maintaining order while satisfying moderate opposition demands for an accelerated transition to democratic rule. Thus, although we expect an extremely unsettled atmosphere over the next year or so, we do not expect collapse of the political system, a leftist takeover, or civil war. [redacted]

[redacted]

External Factors That Could Affect the Scenarios

-- An increase in tension in the Beagle Channel dispute with Argentina would help Pinochet by diverting public attention and rallying the populace against the foreign threat.

-- The release of information linking the government to the murder or coverup of the assassination of labor leader Tucapel Jimenez in 1982 would increase antigovernment protests.

-- Any significant deterioration in Pinochet's health could create a power scramble in the military, since he has not designated a successor from among his constituency.

-- Any dramatic increase in external (primarily Soviet/Cuban) support for Communist or terrorist activities in Chile could encourage a government crackdown. [redacted]

[redacted]

SUBJECT: Prospects for Chile (U)